

# Special Health Care District IGA

September 23, 2004

Web site: [www.maricopa.gov/mihs2district](http://www.maricopa.gov/mihs2district)



## Agenda

- ✈ Welcome
- ✈ Overview of Proposed Policies
- ✈ Comment Responses on Proposed IGA
- ✈ Question & Answer

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## Proposed Policies

- ✦ In order to ensure a smooth operational transition from County to District on January 1, 2005, the Board of Supervisors, serving as the District's interim Board of Directors, is expected to adopt a series of operating policies for the District.
- ✦ To the extent possible, the proposed policies mirror those currently employed by Maricopa County and the Maricopa Integrated Health System.
- ✦ The policies are being adopted so that the new District has policies in place on the first day of operations. They can, however, be amended by the new Board at any time in the future.

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## Proposed Policies

- ✦ The first set of proposed policies primarily cover personnel issues. (The District is required by the enabling legislation to have an employee merit system.)
- ✦ Additional sets covering procurement and internal administration will be presented over the next month.
- ✦ The policies will be presented to the Board at their next meeting.
- ✦ There is also a separate "Governance Team" working as part of the transition process to draft new Board level policies for the elected District Board to consider early on after the newly elected Board is constituted.

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## July Financials

Net Income (\$ 000s)	Current Month - July 2004				
	Actual	Budget	Variance	Prior Year	Variance
Maricopa Health Plan	(\$225)	(\$176)	(\$49)	\$602	(\$827)
MLTCP	(3,582)	497	(4,079)	610	(4,192)
Health Select	1	0	1	163	(162)
Senior Select	(804)	(572)	(232)	(174)	(630)
Subtotal Health Plan	(4,610)	(251)	(4,359)	1,201	(5,811)
Health Plan	(4,610)	(251)	(4,359)	1,201	(5,811)
Delivery System	1,195	21	1,174	293	902
Total MIHS	(\$3,415)	(\$230)	(\$3,185)	\$1,494	(\$4,909)

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## Submitted Comments

- ✍ Ten comments were submitted via e-mail by four individuals before September 8.
- ✍ All comments were distributed, unedited, to the Board and posted to the web site
- ✍ Several additional comments were received recently, and are being distributed to the Board as they arrive.

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## Submitted Comments

### Comment Included:

- ✍ Board should not limit the discretion of the new District by including a deed and/or lease provision regarding abortion.
  - ✍ As indicated at last Monday's meeting, the Board has a strong interest in ensuring that the values that have guided the County hospital over its 125 year history will continue.
- ✍ Board should wait to negotiate IGA with new Board
  - ✍ One of the main reasons that the state legislature required the County Board of Supervisors to also serve as the District's Board of Directors for the first year was so that the Board could put agreements in place to ensure the continuation of the existing DSH transfers.

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## Submitted Comments

- ✍ Board should outsource claims processing for the Health Plans
  - ✍ The Health Plans have outsourced claims processing to Amerihealth/TMG
- ✍ Board should not require the District to use the County Treasurer as the District's Treasurer
  - ✍ The County Treasurer is required by law to serve as the Treasurer for the District.
- ✍ As many requirements as possible should have "sunset" provisions
  - ✍ To the extent practical, this concept has been incorporated into the proposed IGA
- ✍ The IGA should require quarterly, rather than annual, meetings regarding the Health Plans
  - ✍ The proposed IGA changed to quarterly meetings

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## Submitted Comments

- ✍ Why do some provisions refer to liabilities that “occur and accrue” before the transfer date while others refer only to liabilities that “occur” before the transfer date
  - ✍ This is legal terminology distinction caused by a contract law. The IGA basically provides that the County will be liable for a breach of contract caused while the County managed the facility
- ✍ Why should the District be liable for environmental risks discovered after the transfer date
  - ✍ This has been addressed in the IGA by allowing the District to refuse property based on Phase II assessment
- ✍ Would the Board consider a Phase II environmental assessment
  - ✍ Yes, IGA provision was changed

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## Submitted Comments

- ✍ A 5% administration charge for employee benefits is too much
  - ✍ The 5% administration charge is equally applicable to purchase by both the County & District. It is designed to cover indirect “overhead” costs. It is not profit.
- ✍ Will the risk assessment for MIHS be adjusted since the Health Plans are not transferring
  - ✍ Yes
- ✍ Will the District be required to pay a 5% administration fee if it purchases legal services from outside counsel
  - ✍ Yes, if procured through County Counsel. Otherwise, no.
- ✍ Will the DSH protections limit the District’s ability to obtain financing?
  - ✍ No impact on General Obligation debt; would limit the ability to do senior lien debt; would be part of the credit “story” for revenue based debt

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## Submitted Comments

- ✍ Is there any situation in which DSH Triggering Event occurs, but the District did not receive the DSH funds?
  - ✍ No
- ✍ What are “County Hospital Purposes”?
  - ✍ Not defined by state law
- ✍ Will accounts receivable be transferred to the District?
  - ✍ Yes
- ✍ The District should continue to current County policy regarding “AIP”
  - ✍ This will be included with the initial policies adopted by the interim Board of the District.

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## Work Still In Process

- ✍ Working Capital Line of Credit
- ✍ MMC Lease & Related Documents
- ✍ Creating Exhibits for IGA
- ✍ State Retirement System Approval
- ✍ Department of Health Services Approval
- ✍ Other Regulatory Approvals

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